

Board of County Commissioners

Agenda Request

Date of Meeting: September 7, 2010

Date Submitted: August 23, 2010

To: Honorable Chairman and Members of the Board

From: Commissioner Kessler

Subject: Proposed Budget Cuts

Statement of Issue:

This agenda item requests the Board of County Commissioners consider specific budget suggestions and direct staff to inform administration, department heads and constitutional officers to formulate their respective budgets based on the recommendations contained in this agenda item.

Background:

Our County's financial health has been on a steady decline over the last several years. We learned from our independent auditor that during the fiscal year 2008-2009 our County spent almost \$1,400,000 (one million four hundred thousand dollars) more than we collected in revenues. We have been informed that the close of our present fiscal year we are expected to spend about one million dollars more than we will collect in revenues.

The expectation for any positive change in the collection of revenues for the coming year is bleak...not good. The warning signs have been present for many years, yet the administration and the Board has not responded by belt tightening measures, especially in the areas of recurring costs. In the past several years the State's financial status has been in negative numbers to the tune of billions of dollars and this year does not seem to hold any better prospects. In fact, the number that is being used as the State's anticipated shortfall is THREE BILLION dollars. This does not bode well for the counties. We can expect additional unfunded mandates from the state and additional stress on our County's finances. We need to balance our budget and learn to live within our means.

Analysis:

The Board of County Commissioners gave direction to staff to formulate a budget based on an across the board 10% cut of all the government budget divisions. The administration met with the constitutional officers. The formulation of the budget based on a 10% cut was not done. Attachment one (1) of this item contains four different budget scenarios that are proposed as suggestions to address the belt tightening that needs to take place.

The first suggestion, **Across the board 10% Cut from FY 2009-2010**, shows a reduction in overall spending of \$2,550,891.

The second suggestion, **Selective Budget Cuts**, reflects a reduction in overall spending of \$2,331,280.

The third suggestion, **Cuts from tentative budget ...**, reflects an additional cut from the tentative budget of \$485,396.

The fourth suggestion, **2.43% Cut Across the Board...**, reflects the same numerical amount of additional cut but distributed in a different manner.

It is a fair assumption that the Board does not want to see our deputies that patrol our County reduced in numbers. It is also a fair assumption that the Board does not want to see a reduction of our paid firefighters nor our EMS staff. With that said, how and where those cuts should be made should rest on the shoulders of the department heads, constitutional officers and our county administrator. These cuts should be realistic and should concentrate on **recurring cost items**. The buck stops with this Board of County Commissioners and if the administrator, department heads and constitutional officers are unwilling to make those cuts, then the Board needs to clearly set the global cuts. I have included my suggestions as to how the Board can direct staff and the constitutionals to make those cuts.

This Board has to set levels of spending that it requires our government not to exceed. We do not like it when our federal government increases debt and continues to deficit-spend. We should not tolerate the deficit spending by our local government that is now taking place. It is time this BOCC demand belt tightening and spend within the means of our taxpayers.

Options:

1. Vote to direct staff to formulate a budget based on the attached 10% cut and recommendations and advise the departments and constitutional officers that they need to comply.
2. Do not vote to direct staff to formulate a budget based on the attached 10% cut and recommendations and advise the departments and constitutional officers that they need to comply.
3. Board direction.

Recommendation:

Option #1

Attachments:

1. Proposed Budget Cuts